

COMMODORE INTERNATIONAL LIMITED

Sassoon House
Shirley & Victoria
Nassau, Bahamas

950 Rittenhouse Road
Norristown, Pennsylvania 19403

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO OUR SHAREHOLDERS:

The annual meeting of the shareholders of COMMODORE INTERNATIONAL LIMITED (the "Company") will be held at the 60 East Club, on the 27th floor, 60 East 42nd Street, New York, New York on November 9, 1981, at 10:30 A.M. (E.S.T.) for the following purposes:

1. To receive and consider the consolidated financial statements of the Company and its subsidiaries for the year ended June 30, 1981, together with the report of the auditors thereon.
2. To elect directors.
3. To appoint auditors.
4. To change the par value of the 15,000,000 presently authorized shares from \$1.00 to no par value.
5. To increase the number of authorized shares from 15,000,000 to 45,000,000, each without par value.
6. To transact such further or other business as may properly come before the meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on September 25, 1981 as the record date for determining shareholders entitled to notice of and to vote at the meeting.

A copy of the Company's Annual Report to Shareholders for its fiscal year ended June 30, 1981 is being transmitted to you herewith.

By Order of the Board,

September 29, 1981

BERNHARD W. WITTER
Vice President, Finance and Secretary

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE COMPLETE AND PROMPTLY RETURN YOUR PROXY. THIS WILL NOT PREVENT YOU FROM VOTING IN PERSON AT THE MEETING. IT WILL, HOWEVER, HELP ASSURE A QUORUM AND AVOID ADDED PROXY SOLICITATION COSTS.

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PROXY STATEMENT SOLICITATION BY BOARD OF DIRECTORS

This proxy statement, which is first being mailed to shareholders on or about September 29, 1981, is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of COMMODORE INTERNATIONAL LIMITED (the "Company") for use at the annual general meeting of the shareholders of the Company to be held on November 9, 1981 and at any adjournments thereof, for the purposes set out in the attached notice of meeting.

The shares represented by proxies solicited by the Board will be voted at the annual general meeting and, if a choice is specified in favor of or against the items listed on the form of proxy with respect to the matters referred to therein, the shares represented by such proxies will be voted in accordance with the specifications so made. **Proxies in which the shareholders have failed to specify that the proxy nominees are required to vote AUTHORITY GRANTED or AUTHORITY WITHHELD or to vote FOR, AGAINST or ABSTAIN on the matters referred to therein will be voted in favor of the Board nominees and such matters.**

The form of proxy forwarded to shareholders with the notice of meeting accompanying this proxy statement confers discretionary authority upon the proxy nominees with respect to other matters which may properly come before the meeting. The Board knows of no matters expected to come before the meeting other than matters referred to in the foregoing notice of meeting. However, if other matters not known to the Board should properly come before the meeting, the shares represented by the proxies appointing the persons named as nominees will be voted on such matters in accordance with the best judgment of those nominees.

The cost of solicitation of proxies from the shareholders will be paid by the Company, including expenses in connection with preparing and mailing this Proxy Statement. Such solicitation will be made by mail and may also be made by the Company's regular officers and employees personally or by telephone or telegram. The Company will also, upon request therefor, reimburse brokers or persons holding shares as nominees for their reasonable expenses in sending proxies and proxy material to beneficial owners.

Proxies given by shareholders for use at the meeting may be revoked at any time prior to their use by giving written notice thereof to the Secretary of the Company or by voting in person at the meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is presently authorized to issue 15,000,000 shares, and as of September 16, 1981, 10,101,095 shares had been issued and were outstanding as fully paid. See page 7 for proposed increase of authorized shares. Holders of outstanding shares of record will be entitled to one vote per share at the meeting.

The following table sets forth as of September 16, 1981 with respect to any person who is known to the Company to be the beneficial owner of more than five percent of the outstanding shares: (i) the name of such owner (ii) the number of shares beneficially owned; and (iii) the percentage of the total number of shares so owned.

Title of Class	Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
Shares, \$1.00 par value per share	Irving Gould	1,791,519	17.7%
	Jack Tramiel	878,576	8.7%

The following table sets forth as of September 16, 1981 with respect to each director and to all directors and officers of the Company as a group (i) the total number of outstanding shares beneficially owned, and (ii) the percentage of the total number of shares so owned.

Title of Class	Name of Person or Designation of Group	Number of Shares Beneficially Owned	Percent of Class
Shares, \$1.00 par value per share	Irving Gould	1,791,519	17.7%
	Jack Tramiel	878,576	8.7%
	Burton Winberg	46,575	0.5%
	Leonard I. Schreiber	35,000(1)	0.4%
	Ralph D. Seligman	0	0.0%
	Directors and Officers as group	2,820,070(1)(2)	27.9%

(1) Does not include 4,700 shares owned by Mr. Schreiber's wife.

(2) Includes 17,850 shares which have not been acquired but which may be acquired within 60 days pursuant to the exercise of stock options.

ELECTION OF DIRECTORS

Each of the five persons whose names appear hereinafter is proposed to be elected at the meeting as a director of the Company to serve until the next annual general meeting of shareholders or until his successor is elected or appointed. It is intended that the shares represented by proxies solicited by the Board will be voted in favor of the election of such persons as directors of the Company unless otherwise instructed.

If, at the time of the meeting, any nominees are unable or decline to serve or, for any other reason, vacancies occur in the slate of such nominees, it is intended that the discretionary authority provided in the proxy to Board nominees will be exercised to vote such proxies for the election of any other person or persons nominated by the Board as directors. The Board has no reason to believe that any nominee will be unable or will decline to serve or that any substitute nominee or nominees will be required.

Set forth below is a list showing the names, ages and positions of all directors of the Company:

Name	Age	Office	Director Since*
Irving Gould	62	Director and Chairman of the Board of Directors	1966
Jack Tramiel	53	Director, Vice Chairman of the Board and Chief Executive Officer	1958
Burton Winberg	57	Director	1973
Leonard I. Schreiber	67	Director	1977
Ralph D. Seligman	61	Director	1981

*Directors are elected annually.

The following table shows the names, ages, and positions of executive officers of the Company who are not also directors:

Name	Age	Office	Officer Since
H. E. J. Finke	54	President and Chief Operating Officer	1981
Richard D. Sanford	38	Executive Vice President	1979
Bernhard W. Witter	44	Vice President, Finance and Secretary	1980
Gregory A. Pratt	33	Vice President	1980
David Alderson	30	Vice President	1978

Irving Gould for more than five years has been Chairman of the Boards of Directors of the Company, of Superpack Corporation Limited, a laundry packaging and distribution company, and of Interpool Limited, a container leasing company.

Jack Tramiel for more than five years has been a director of the Company. He served as President of the Company for more than five years until January, 1981 and currently serves as Vice Chairman of the Board of Directors and Chief Executive Officer of the Company.

Burton Winberg has been president of Rockport Holdings Limited, a construction company, and a director of the Company for more than five years.

Ralph D. Seligman for more than five years has been a partner in the law firm of Seligman, Maynard and Co., Nassau, Bahamas, and has been a director of the Company since June 12, 1981. The law firm of Seligman, Maynard and Co. has represented the Company since 1976.

Leonard I. Schreiber, Attorney-at-Law, has represented the Company and the Company's U.S. subsidiary, Commodore Business Machines, Inc., for seventeen and sixteen years respectively. He has been a director of the Company since 1977. He is also a director of United National Industries, a manufacturer of felt and related products.

H. E. J. Finke became President and Chief Operating Officer of the Company on January 1, 1981. Prior to joining the Company, he was a Vice President of Data General Corporation, a computer manufacturer, with overall management responsibility for its European operations since August, 1978. Prior to his association with Data General, he was General Manager of the General Electric Medical Division's international operations.

Richard D. Sanford became Executive Vice President of the Company in March, 1980, and Secretary of the Company in June, 1979. He originally joined the Company in 1976 as International Controller and served as Vice President, Finance from June, 1979 until his election as Executive Vice President, and as Secretary until August, 1981.

Bernhard W. Witter became Vice President, Finance of the Company in November, 1980, and Secretary in August, 1981. Prior to joining the Company, he was Vice President, Corporate Planning and Treasurer of Warner and Swasey, a machine tool manufacturer since March, 1978. Prior to that he was Vice President and Treasurer of Addressograph Multigraph Corporation, an office equipment manufacturer, since June, 1976.

Gregory A. Pratt became Vice President in March, 1980. He joined the Company in June, 1979, as Assistant Vice President, Finance. He served as Vice President, Finance from March, 1980 to November, 1980, when he assumed his current responsibilities as Vice President and Corporate Controller. Prior to joining the Company, he was with Arthur Andersen & Co., accountants and auditors.

David Alderson became Vice President of the Company in May, 1978. He originally joined the Company in May, 1974, first as Commodore Business Machines (U.K.) Ltd. Controller until February, 1977, then as Commodore Electronics (H.K.) Ltd. Controller until October, 1977, and then as Director and General Manager of Commodore Electronics (H.K.) Ltd.

On February 15, 1981, the Company established an audit committee of the Board of Directors, which presently consists of Messrs. Winberg and Schreiber. There was one meeting between the Audit Committee and representatives of Arthur Andersen & Co.

The Company has no standing nominating, compensation or other similar committees of the Board of Directors. During the last fiscal year, there were six meetings of the Board of Directors and all directors attended all meetings of the Board, with the exception of one meeting where a quorum was present.

Irving Gould and Jack Tramiel, individually or collectively, may be deemed to be "control persons" of the Company within the meaning of the Securities Exchange Act of 1934, due to their shareholdings of 17.7% and 8.7%, respectively, of the shares of the Company.

REMUNERATION AND OTHER TRANSACTIONS WITH MANAGEMENT AND OTHERS

Remuneration

The following table shows the aggregate remuneration paid by the Company and its consolidated subsidiaries, during the year ended June 30, 1981, for services while acting as officers and directors of the Company, to (i) each of the five highest paid executive officers or directors of the Company whose aggregate remuneration exceeded \$50,000, and (ii) all directors and officers of the Company as a group.

Name of Individual or Number of Persons in Group	Capacities in Which Served	Cash and Cash Equivalent Forms of Remuneration		Aggregate of Contingent Forms of Remuneration
		Salaries, Fees, Directors' Fees, Commissions, and Bonuses	Securities or Property, Insurance Benefits or Reimbursement, Personal Benefits	
Irving Gould	Chairman of the Board	\$ 229,000	-0-	-0-
Jack Tramiel	Vice Chairman of the Board and Chief Executive Officer	\$ 321,000	-0-	-0-
Richard D. Sanford	Executive Vice President	\$ 120,000	\$465,000(1)	\$ 72,000(3)
Gregory A. Pratt	Vice President	\$ 77,000	\$ 40,000(1)	-0-
David Alderson	Vice President	\$ 73,000	\$304,000(2)	-0-
All officers and directors as a group (11 in number, including those named above)		\$1,045,000	\$859,000(1)(2)(4)	\$170,000(3)(5)

- (1) Represents the difference between the fair market price and the acquisition price for securities acquired upon exercise of options. All such shares issued on exercise of options are restricted shares which cannot be sold without registration under the Securities Act of 1933 or exemptions therefrom.
- (2) Represents the difference between the fair market price and the acquisition price for securities acquired upon exercise of options (\$291,000) and rental subsidy while living in Hong Kong (\$13,000). All such shares are restricted as described in footnote (1) above.
- (3) Represents the difference between the price at which certain options were granted to certain officers and the fair market value of the stock on the date of the grant. These amounts have been properly expensed for financial reporting purposes; however, the vesting of the right to exercise such grants is conditional on future events.
- (4) Includes \$50,000 paid an officer as a repatriation allowance to induce him to join the Company.
- (5) Includes amounts expensed for financial reporting purposes which may be paid to certain officers in the future.

The above remuneration table does not include \$34,231 paid by the Company during the fiscal year ended June 30, 1981 to Leonard I. Schreiber, a director of the Company, for fees and disbursements in connection with legal services rendered by him prior to and during that period. As of June 30, 1981, legal fees of approximately \$60,918 (after payment of the aforementioned \$34,231 by the Company), were due to Mr. Schreiber for services rendered and disbursements incurred during fiscal 1981. It does not include any amounts with respect to infrequent trips made by wives of various corporate officers and directors on the company airplane since the Company cannot determine without unreasonable effort or expense the specific amount of this benefit, and, after reasonable inquiry, has concluded that such benefits do not in any event exceed \$10,000 as to each person.

Directors who are not also employees of the Company receive an annual director's fee of \$5,000. No additional amounts are paid for Audit Committee participation.

The Company has no annuity, pension or retirement plan benefits. The Company did in fiscal 1981 pay discretionary bonuses, totaling \$420,000 to certain of its officers whose bonuses are shown in the table above, and may pay bonuses in the future. Other than bonuses paid to the Chairman and Vice Chairman, the maximum amount of all bonus payments for a given fiscal year is limited to 10% of the increase in the net income over the prior year's net income. For fiscal 1981, in addition to bonuses which may be paid to the Chairman and Vice Chairman, the Company could award up to an aggregate of \$850,000 as bonuses, which amount was accrued in the Company's financial statements as of June 30, 1981.

Options

The following table set forth below shows as to the directors and officers named in the table above and all directors and officers of the Company as a group (i) the number of shares covered by options granted from July 1, 1980 to September 16, 1981, (ii) the number of shares acquired during that period due to the exercise of options granted during the period or prior thereto, and (iii) the total number of shares covered by unexercised options held as of September 16, 1981.

Shares*	Richard D. Sanford	Gregory A. Pratt	David Alderson	All Directors and Officers as a Group
Granted—July 1, 1980 to September 16, 1981:				
Number of Shares	-0-	-0-	-0-	5,000(1)
Average per Share option price	—	—	—	\$37.875
Exercised—July 1, 1980 to September 16, 1981:				
Net value realized in shares (market value less exercise price)	\$465,000	\$ 40,000	\$291,000	\$796,000

Shares*	Richard D. Sanford	Gregory A. Pratt	David Alderson	All Directors and Officers as a Group
Unexercised at September 16, 1981:				
Number of Shares	27,450	6,000	4,500	42,950
Potential (unrealized) value (market value less exercise price)	\$686,000	\$124,000	\$126,000	\$900,000

* All share figures and prices have been adjusted in accordance with the terms of the options to reflect a three-for-one stock split issued during fiscal 1981, even though some options were granted and some options were exercised before the split.

- (1) Pursuant to an employment agreement between the Company and an officer, such officer shall be granted an option on January 1, 1982 to purchase 67,000 shares at \$32.00 per share.

PROPOSED CHANGE IN PAR VALUE OF AUTHORIZED SHARES

The Company's Board of Directors has determined that it would be in the best interests of the Company to change the par value of the Company's shares from \$1.00 per share to no par value. The stated value of the shares will be \$.01 per share. As a result, the aggregate reduction in the stated capital account of the presently authorized shares will be from \$15,000,000 to \$150,000. Assuming an increase in authorized shares to 45,000,000, the reduction would be to \$450,000. The capital account for shares now outstanding would be reduced from \$10,101,095 to \$101,010. The effect on current contributed surplus would be to increase it by \$10,000,085.

The Board considers it advisable to change the par value of the shares in order to provide greater flexibility for increasing the authorized shares should future circumstances warrant such action. Any taxes levied on authorized shares would be minimized by such change. The change in par value will have no effect on the shareholders' rights including, without limitation, voting rights.

A majority of the votes cast at this meeting is required to approve this proposal.

The Board recommends a vote FOR this proposal. Proxies solicited by the Board will be so voted unless shareholders specify in their proxies a contrary vote.

PROPOSED INCREASE OF AUTHORIZED SHARES

The Company is presently authorized to issue 15,000,000 shares. As of September 16, 1981, there were issued and outstanding 10,101,095 shares. In addition, there is presently reserved for issuance 910,075 shares upon the exercise of stock options granted or to be granted to employees, leaving a balance of 3,988,830 shares which are authorized, unissued and not reserved for future issuance. The Company's Board of Directors (the "Board") has determined that it would be in the best interests of the Company to increase the number of authorized shares from 15,000,000 to 45,000,000.

The Board considers it advisable that an increased number of shares be available for

issuance in connection with such possible future acquisitions, financings, stock splits and other corporate purposes, including issuance under shareholder-approved stock option plans, as the Board may, at a later date, deem advisable. The availability of the additional shares would provide flexibility without the cost and delay of holding a special shareholders' meeting for authorization of additional shares on each occasion when they may be needed. The additional shares, like the presently authorized shares, will have no preemptive rights.

A majority of the votes cast at the meeting is required to approve this proposal.

The Board recommends a vote FOR this proposal. Proxies solicited by the Board will be so voted unless shareholders specify in their proxies a contrary vote.

APPOINTMENT OF AUDITORS

At the meeting, the Board proposes to nominate Arthur Andersen & Co., who have been the auditors of the Company since 1968, as auditors until the next annual general meeting of shareholders. It recommends the appointment of Arthur Andersen & Co. as auditors of the Company.

Pursuant to the Companies Act of the Bahamas and the Articles of Association of the Company, the Company is required to submit the financial statements of the Company and its subsidiaries for the year ended June 30, 1981, to the meeting. These financial statements and the auditors' report thereon are included in the Annual Report mailed to the shareholders with this proxy statement. The Company is not presenting these financial statements for approval or any action by the shareholders and such financial statements are not incorporated herein by reference.

In fiscal 1981, Arthur Andersen & Co. provided audit services to the Company, including the examination of the Company's consolidated financial statements, assistance and consultation in connection with the preparation of the financial portions of the Company's Annual Report and filings with governmental agencies, and consultation on various audit related matters.

In addition, Arthur Andersen & Co. provided the following non-audit services for the Company: income tax return preparation and consultation for certain subsidiaries of the Company, and review and assistance in connection with the electronic data processing function. The percentage relationship which the fees for each non-audit service bears to the audit fees is 19% and 13%, respectively. The percentage relationship which the aggregate of the fees for all non-audit services bears to the audit fees is 32%. The Board of Directors and the Audit Committee of the Company has approved the appointment of Arthur Andersen & Co. as auditors, but has neither voted upon their engagement for non-audit services nor considered the possible effect of such services on the independence of the accountants. The Company agrees with Arthur Andersen & Co. in advance on a fee for annual audit services.

The Company has been advised that a representative of Arthur Andersen & Co. will be present at the meeting. The representative will have the opportunity to make a statement if he desires to do so and he will be available during the meeting to respond to questions relating to the financial statements of the Company.

SHAREHOLDER PROPOSALS

Shareholders are entitled to submit proposals on matters appropriate for shareholder action, consistent with regulations of the Securities and Exchange Commission. Should a shareholder intend to present a proposal at next year's annual general meeting, it must be received by the Secretary of the Company at 950 Rittenhouse Road, Norristown, Pennsylvania 19403 by not later than July 6, 1982 in order to be included in the Company's proxy statement and form of proxy relating to that meeting.

A copy of the Company's Form 20-F Annual Report for the fiscal year ended June 30, 1981 to be filed with the Securities and Exchange Commission may be obtained by any shareholder without charge by writing to Commodore International Limited, 950 Rittenhouse Road, Norristown, Pennsylvania 19403.

Commodore International Limited

Bernhard W. Witter
Vice President, Finance and Secretary

September 29, 1981

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don greenbaum**